

## Use Tax Information For Individuals

*If you buy a taxable item but do not pay  
Wisconsin sales tax . . .*

*. . . you may owe Wisconsin use tax*

### What is use tax?

Use tax is the counterpart of sales tax. It must be paid on all taxable items brought into Wisconsin or purchased from retailers who do not collect Wisconsin sales tax. It applies to purchases made in foreign countries as well as other states. Use tax only applies when Wisconsin sales tax is not charged.

The Wisconsin use tax rate is 5%, the same rate as the sales tax. If the items purchased are used in a county that has a county sales and use tax, the 0.5% county use tax also applies, unless you first take possession of the item in a Wisconsin county that does not have the county tax. (Exceptions include purchases of motor vehicles, boats, snowmobiles, mobile homes not exceeding 45 feet in length, trailers, semi-trailers, all-terrain vehicles, aircraft, and construction materials. These items are taxed based on the county in which they are customarily kept, or, for construction materials, the county in which they are stored, used, or consumed.)

A 0.1% baseball stadium use tax may also apply if the item is stored, used, or consumed in Milwaukee, Ozaukee, Racine, Washington, or Waukesha counties.

A 0.5% football stadium use tax may also apply if the item is stored, used, or consumed in Brown County.

Wisconsin allows a credit for sales tax owed and paid to another state, up to the 5% charged by Wisconsin. Wisconsin also allows a credit for a similar local tax owed and paid in another state, up to the 0.5% Wisconsin county tax, the 0.1% Wisconsin baseball stadium tax, and/or the 0.5% Wisconsin football stadium tax. Foreign taxes and customs duty charges are not eligible for these credits.

### Why is there a use tax?

Use tax protects in-state businesses from unfair competition. When sales or use tax is not collected on taxable purchases used in your community, local businesses are operating at a competitive disadvantage.

### Why don't all out-of-state businesses collect use tax?

If an out-of-state retail business has a physical presence (such as a store or warehouse) in Wisconsin, it is required by law to register and collect Wisconsin tax. However, mail order and Internet companies and others who advertise in Wisconsin, but do not have a physical presence in Wisconsin, may not be required to register and collect Wisconsin tax. Some out-of-state businesses, however, voluntarily collect use tax as a courtesy to their customers.

### What is taxable?

All goods, services, and merchandise which are taxable under Wisconsin's sales tax law are also subject to the use tax. Either sales tax or use tax needs to be paid on taxable items and services.

Use tax applies to, but is not limited to, mail-order catalog and television shopping or auctions, toll-free "800" purchases, and to purchases made over the Internet.

For example, you owe Wisconsin use tax if:

- You bought cameras, sporting goods, or clothes over the Internet and no Wisconsin sales tax was charged.
- You bought furniture or appliances from a store across the Wisconsin border and that other state's sales tax imposed was less than the Wisconsin sales tax.
- You bought records, tapes, or books through an out-of-state catalog and no Wisconsin sales tax was charged.
- You bought clothes, jewelry, or art works while traveling in another state, had it shipped home, and no Wisconsin sales tax was charged.

Use tax applies to the total purchase price you pay to the seller for taxable items, including shipping and handling charges.

## How do you pay use tax?

As an individual consumer, you have two options for paying Wisconsin use tax.

1. You can pay use tax on your Wisconsin income tax return (Form 1, 1A, WI-Z, or 1NPR). A special line titled "Sales and use tax due on out-of-state purchases" is on Wisconsin income tax returns to allow you to report your annual use tax liability, or
2. You can report and pay use tax quarterly on the Wisconsin Form UT-5, Consumer Use Tax Return, which is a part of this publication.

*Note to Businesses:* If you have (or are required to have) a Wisconsin Seller's Permit or Use Tax Certificate, you should report your use tax obligations in accordance with the instructions for the sales and use tax returns you file with the Department of Revenue. Publication 201, *Wisconsin Sales and Use Tax Information*, contains more information for businesses.

## What if you don't pay the use tax you owe?

If you don't pay the use tax you owe, you may be subject to interest and penalties in addition to the use tax.

The department, through audits of businesses and agreements with other states, makes an effort to ensure that use tax owed by individuals on out-of-state purchases is remitted to the department.

## Any questions?

Write to the department in Madison or call or visit your nearest Department of Revenue office.

Write: Wisconsin Department of Revenue  
Mail Stop 5-77  
P.O. Box 8902  
Madison, WI 53708

Telephone: (608) 266-2776

TTY: (608) 267-1049

Fax: (608) 267-1030

E-mail: [sales10@dor.state.wi.us](mailto:sales10@dor.state.wi.us)

Web site: [www.dor.state.wi.us](http://www.dor.state.wi.us)

Wisconsin Department  
of Revenue

Period covered: From \_\_\_\_\_, through \_\_\_\_\_

Name		Federal Employer ID Number or Social Security Number	
Address (Number and Street)			
City		State	Zip Code

**PART A. COMPUTATION OF USE TAX**

1	Purchases subject to 5% state use tax .....	1		
2	State use tax (multiply line 1 x .05) .....	2		
3	Credit for state sales or use taxes paid to another state on purchases included on line 1 .....	3		
4	Net state use tax (subtract line 3 from line 2) .....	4		
5	Net county use tax from Part B, line 12, below .....	5		
6	Net baseball stadium use tax from Part C, line 13, below .....	6		
7	Net football stadium use tax from Part D, line 14, below .....	7		
8	State, county, and baseball and football stadium use tax (add lines 4, 5, 6, and 7) .....	8		
9	Interest and penalty (see instructions) .....	9		
10	Total amount due (add lines 8 and 9) .....	10		

**PART B. COMPUTATION OF 0.5% COUNTY USE TAX**

- 11 Enter the purchases which are subject to 0.5% county use tax. For a list of counties which have adopted the county tax, see the instructions for Part B. If you need additional space, attach a schedule.

Col. 1 County Name	Col. 2 Purchases Subject to County Use Tax	Col. 3 County Use Tax (Col. 2 x .005)	Col. 4 Credit for Similar Local Tax Paid to Another State on Amount in Col. 2	Col. 5 Net County Use Tax (Col. 3 less Col. 4)
a				
b				
c				
d				

- 12 Net county use tax (Add lines 11a through 11d, column 5. Enter on line 5 above) . . . . . 12

**PART C. COMPUTATION OF 0.1% BASEBALL STADIUM USE TAX**

- 13 Enter the total purchases which are subject to 0.1% baseball stadium use tax. For a list of counties where the stadium tax applies, see the instructions for Part C. Enter net baseball stadium use tax on line 6 above.

Col. 1 Purchases Subject to Baseball Stadium Use Tax	Col. 2 Baseball Stadium Use Tax (Col. 1 x .001)	Col. 3 Credit for Local Tax Paid	Col. 4 Net Baseball Stadium Use Tax (Col. 2 less Col. 3)

**PART D. COMPUTATION OF 0.5% FOOTBALL STADIUM USE TAX**

- 14 Enter the total purchases which are subject to 0.5% football stadium use tax. Enter net football stadium use tax on line 7 above. (Note: The football stadium tax became effective 11-01-00.)

Col. 1 Purchases Subject to Football Stadium Use Tax in Brown County	Col. 2 Football Stadium Use Tax (Col. 1 x .005)	Col. 3 Credit for Local Tax Paid	Col. 4 Net Football Stadium Use Tax (Col. 2 less Col. 3)

I hereby certify that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.

Signature	Title	Date
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The state, county, and baseball and football stadium use taxes are payable directly to the state by the purchaser (consumer) when tangible personal property or taxable services are purchased from a retailer who is not authorized to collect the 5% Wisconsin, 0.5% county, 0.1% baseball stadium, or 0.5% football stadium sales and use tax and are stored, used, or consumed in Wisconsin. This form should be used to report the tax due.

This form should **not** be used by persons who hold a Wisconsin seller's permit, use tax certificate, or consumer's use tax certificate. These registrants should report their use tax due on the sales and use tax return (Form ST-12).

This return is due by the last day of the month following the calendar quarter in which the items listed on this return were first purchased and used, stored, or consumed in Wisconsin.

## Part A. Computation of Use Tax (selected lines)

■ **Line 1. Purchases Subject to 5% State Use Tax** – Enter the total purchase price of items purchased and stored, used, or consumed in Wisconsin on which you did not pay Wisconsin sales or use tax.

■ **Line 3. Credit for State Sales or Use Taxes Paid to Another State** – The amount of sales or use tax properly paid to another state on the purchase of property included on line 1 is allowed as a credit against Wisconsin use tax. Attach a copy of your bill of sale or other verification of payment of tax to the other state. This credit is limited to 5% of the purchase price subject to tax in the other state.

■ **Line 9. Interest and Penalty** – If you do not file a return on time, you are subject to interest at the rate of 1.5% per month on the tax on line 8 from the due date to the date the return is filed. Include this amount on line 9.

In addition, late returns may be subject to (1) a \$20 late filing fee [Note: The late filing fee was \$10 for periods beginning prior to October 1, 1999], and (2) a negligence penalty of 5% per month, up to a maximum 25%, of the tax on line 8. These penalties may be waived in the case of death of the person required to file the return, or if a reasonable explanation exists for the late filing. You will be notified if an additional amount is due.

■ **Line 10. Total Amount Due** – You may pay by check or money order made payable to the Wisconsin Department of Revenue.

## Part B. Computation of 0.5% County Use Tax

■ **Lines 11a through 11d. Purchases Subject to 0.5% County Use Tax** – Complete Part B for purchases of taxable tangible personal property or taxable services which were stored, used, or consumed in a county that has adopted the 0.5% county sales and use tax and upon which a county sales or use tax has not been paid, with the following exception.

**Exception:** If the item, other than construction materials and certain registered or titled items, was purchased in a county that has not adopted the county tax and later brought to a taxable county where it was used, stored, or consumed, the purchase is not subject to the county use tax.

**Column 1.** List the names of the counties in which you made purchases subject to county use tax, upon which you did not pay county sales or use tax. The chart at the bottom of the page shows which counties, as of January 1, 2003, have the county sales and use tax in effect. **This list is subject to change.**

**Column 4.** The amount of similar local tax properly paid in another state on the purchase of property included in the column 2 amount is allowed

as a credit against the Wisconsin county use tax. Attach a copy of your bill of sale or other verification of payment of tax to the other state. This credit is limited to 0.5% of the purchase price subject to tax in the other state.

## Part C. Computation of 0.1% Baseball Stadium Use Tax

■ **Line 13. Purchases Subject to 0.1% Baseball Stadium Use Tax** – Complete Part C for purchases of taxable tangible personal property or taxable services which were used, stored, or consumed in Milwaukee, Ozaukee, Racine, Washington, or Waukesha County and upon which the 0.1% baseball stadium sales or use tax has not been paid, with the following exception.

**Exception:** If the item, other than construction materials and certain registered or titled items, was purchased in a county where the baseball stadium tax does not apply and later brought to a baseball stadium taxable county where it was used, stored, or consumed, the purchase is not subject to the baseball stadium use tax.

**Column 1.** Enter your total purchases subject to the baseball stadium use tax, upon which you did not pay baseball stadium sales or use tax.

**Column 3.** The amount of the football stadium tax (in Brown County) or similar local tax properly paid in another state on the purchase of property included in the column 1 amount is allowed as a credit against the Wisconsin baseball stadium use tax. Attach a copy of your bill of sale or other verification of payment of tax to the football stadium district or the other state. This credit is limited to 0.1% of the purchase price subject to tax in the other state.

**Note:** You may not take credit against baseball stadium tax for a similar local tax paid in another state if that tax has already been claimed as a credit against county tax on line 11. If you paid a local tax in another state on an item that is subject to both county and baseball stadium tax in Wisconsin, you may allocate that amount. (Example: You paid \$25 city tax in another state and owe \$50 county tax and \$10 baseball stadium tax in Wisconsin. You may allocate 5/6 x \$25 to reduce county tax and 1/6 x \$25 to reduce baseball stadium tax.)

## Part D. Computation of 0.5% Football Stadium Use Tax

■ **Line 14. Purchases Subject to 0.5% Football Stadium Use Tax** – Complete Part D for purchases of taxable tangible personal property or taxable services which were used, stored, or consumed in the football stadium district (Brown County) and upon which the 0.5% football stadium sales or use tax has not been paid, with the following exception.

**Exception:** If the item, other than construction materials and certain registered or titled items, was purchased in a county where the football stadium tax does not apply and later brought into Brown County where it was used, stored, or consumed, the purchase is not subject to the football stadium use tax.

**Column 1.** Enter your total purchases subject to the football stadium use tax, upon which you did not pay football stadium sales or use tax.

**Column 3.** The amount of baseball stadium tax (in Milwaukee, Ozaukee, Racine, Waukesha, and Washington County) or similar local tax properly paid in another state on the purchase of property included in the column 1 amount is allowed as a credit against the football stadium use tax. Attach a copy of your bill of sale or other verification of payment of tax to the baseball stadium district or other state. This credit is limited to 0.5% of the purchase price subject to tax in the other state.

■ **Sign and Date Your Return** – Be sure to sign and date your return in the area provided in the bottom section of the return.

### Counties Which Have the 0.5% County Tax

Adams	Dodge	Iron	Marinette	Polk	Taylor
Ashland	Door	Jackson	Marquette	Portage	Trempealeau
Barron	Douglas	Jefferson	Milwaukee	Price	Vernon
Bayfield	Dunn	Juneau	Monroe	Richland	Vilas
Buffalo	Eau Claire	Kenosha	Oconto	Rusk	Walworth
Burnett	Forest	La Crosse	Oneida	St. Croix	Washburn
Chippewa	Grant (4/1/02)	Lafayette	Ozaukee	Sauk	Washington
Columbia	Green (1/1/03)	Langlade	Pepin	Sawyer	Waupaca
Crawford	Green Lake	Lincoln	Pierce	Shawano	Waushara
Dane	Iowa	Marathon			